



FISCAL MEMORANDUM

HB 2672 - SB 2649

April 26, 2022

SUMMARY OF BILL AS AMENDED (018187): Authorizes the State to take into consideration whether a state depository institution has a policy that prohibits financing to companies in the fossil fuel industry when determining what depository institution will be used for the state's primary cash management banking services. Makes an exemption if it is determined that the Department of Treasury, or the state, would not be able to perform its functions otherwise, and no other qualified state depository institution or contractor provides the services needed.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- A state depository is defined as:
 - Any savings bank, savings institution or bank chartered by the State of Tennessee.
 - Any national bank, or federal savings institution that has its main office located in the State of Tennessee.
 - Any national or state bank, or saving institution, that has its main office located outside of the State of Tennessee, but maintains one or more branches in the state and is authorized to accept federally-insured deposits.
- A company is considered to be in the fossil fuel industry if at least 50 percent of its annual revenue is obtained from business operations that involve natural gas, oil, kerosene, petroleum, coal, hydrocarbon product, or any form of solid, liquid, or gaseous fuel derived from the preceding materials to produce heat for the generation of electricity.
- The proposed legislation is not expected to affect the Department of Treasury (Treasury), as the implementation of the contents in the bill will not require additional resources or personnel.
- The four largest banks in the United States, and the largest bank in Tennessee, all currently finance companies in the fossil fuel industry, suggesting Treasury will not face significant barriers if they wish not to contract with a depository institution that prohibits financing to the fossil fuel industry; therefore, any fiscal impact to state or local government is considered to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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